

payphone on the premises owner's property generates sufficient revenue to pay for itself. This premises owner need not pay the LEC PSP for the operation of the payphone, but the LEC PSP may not generate enough revenue from the payphone operation to pay the premises owner a location payment. In the third scenario, the payphone generates revenue sufficient for the premises owner to require the LEC PSP to pay a location rent" (§146). Although stated in terms of LEC PSPs, it is clear that the Commission intended this concept to apply to independent PSPs as well.

The Commission elected to use the second (marginal location) scenario for two reasons. First, basing per-call costs and compensation levels on the number of calls at a marginal location will give PSPs an opportunity to recover their costs, including a normal return on the assets used (§139). Second, while the use of a marginal location does not ensure that all payphone locations will be profitable,² it is consistent with Congress's stated objective of ensuring widespread deployment of payphones: "if we were to base the default compensation amount on the average payphone location, many payphones would become unprofitable and exit the industry. We therefore conclude that we should use the marginal payphone location when establishing the default compensation amount" (§141). The Commission determined that a limited number of payphone locations would be unprofitable if per-call compensation is based on a marginal location analysis, but concluded that a calculation of per-call costs based on the volume of calls at a marginal location "should promote the continued existence of the vast majority of payphones" (§159).

The Commission's marginal location analysis is applied in this cost study.

Method of Identification

The Commission defined a marginal location as one in which a PSP is able to recoup its costs, including a fair return on investment, but generates insufficient revenue to provide for a commission payment to the location owner.³ In our analysis, we collected information related to a statistically-valid sample of public payphone locations. Because it is impossible to determine *a priori* which are marginal (i.e. no commission) locations, we have collected information regarding a larger sample of locations than was necessary to ensure statistical reliability. Based on the information collected regarding this larger sample, we identified the marginal locations. Results are reported for these "marginal payphones" (the average per-payphone costs and average number of calls at payphones for which no commissions are paid to the premises owner).

² Specifically, the Commission concluded that "our approach is not designed to make every payphone profitable. Payphones with sufficiently low call volumes or sufficiently high costs will not be profitable, regardless of the compensation amount we establish" (§79).

³ §139.

D. ANALYSIS

D.1 DATA SOURCES AND RELIABILITY

In order to calculate a rate for dial-around compensation in the *Third Report and Order*, the Commission relied on data submitted by the BOCs, BOC-affiliated PSPs, and independent PSPs if that information was sufficiently documented. For example, equipment costs reported by independent PSPs were utilized in order to accurately reflect the fact that these costs can vary significantly by location: "Because payphones serve a wide variety of locations, we find that the capital cost data from actual payphone operations will better reflect a PSPs actual costs" (§§135). A number of important inputs, including equipment types and call volumes, were collected from individual PSPs.

For other costs, the Commission relied on the LEC's tariffed rates (§§138). This cost study utilizes LEC billed amounts for costs associated with LEC charges. LEC charges are based on PSP-reported costs, as validated with LEC bills.

The Commission specifically rejected embedded costs (§§130, 134) and costs based on the costs incurred by companies providing non-payphone services (§§135). This study utilizes forward-looking inputs and PSP-specific data. For example, equipment prices are based on vendor quotes for currently available equipment.

D.2 CATEGORIES OF COST

D.2.1 Local Service Line Charges

Local Service Charges are based on actual (billed) Local Exchange Carrier fees for a payphone line, including basic line charges, End User Common Line Charge (EUCL), Primary Interexchange Carrier Charges (PICC) if applicable, blocking and screening, 911 fees, and applicable taxes as billed by the LEC. For areas in which Local Measured Service is used, only the line portion of the charge has been included.

D.2.2 Equipment Costs

Equipment costs are a function of the acquisition cost of the equipment, the useful life (and corresponding depreciation rate), and a fair return on investment.

D.2.2.1 Equipment Acquisition Costs

Acquisition costs were calculated using vendor quotes and equipment configurations reported by PSPs. Only current equipment prices have been used in order to assure that only forward-looking costs have been represented. The calculation of equipment costs used in the study is detailed in Section D.5.4. Coin mechanism costs have not been included in the equipment as configured.

The PSPs' cost to acquire and install this equipment has been capitalized in this analysis.

D.2.2.2 Depreciation Rate (Useful Life)

The useful life of an investment is directly impacted by two constraints. First, the investment can be consumed or rendered unusable by wear and tear. This constraint is typically the limiting factor in the useful life of a durable asset in a stable industry. Second, the useful life of an investment can be limited because of technological changes that render the asset obsolete. This constraint is typically the limiting factor in the useful life of a technology-based asset (such as computers), or assets utilized in an industry characterized by rapid change in the functionality required by customers.

While available evidence regarding changes in payphone technology strongly suggests that equipment placed today will have a useful life of less than ten years, we have utilized the Commission's ten year depreciable life in this study. The use of such an assumption will cause the results to be conservatively low.

Capital costs are shown in detail in Section D.5.5.

D.2.2.3 Return on Investment

Return on investment should be representative of a normal economic profit on the capital investments made in order to provide the service. When this return on investment is included in the cost calculation,⁴ a rate set equal to the calculated cost would permit the provider to receive a fair return on investment.

While available financial data strongly suggests that the operation of a PSP carries more financial risk than the operation of a Tier 1 Local Exchange Company, a cost of capital of 11.25% is utilized in this study. This is the value used by the Commission to calculate costs in the *Third Report and Order*.

⁴ The Commission has historically required this treatment of return on investment in cost studies conducted by the LECs, and adopted this approach when calculating costs to support its rate for dial-around compensation.

The monthly amount needed to recover the payphone provider's return of capital (depreciation) and return on capital (ROI) is calculated using a methodology that is identical to that used by the Commission when calculating these costs in the *Third Report and Order*.

Capital costs are shown in detail in Section D.5.5.

D.2.2.4 Taxes

A composite local, state, and federal tax rate of 39.25% is used. This is the value used by the Commission in the *Third Report and Order*.

Capital costs are shown in detail in Section D.5.5.

D.2.3 Operating Expenses – Repair and Maintenance

This information was collected directly from PSPs. The data collection process is detailed in Sections D.5.2 and D.5.3.

D.2.4 Sales, General, and Administrative (SG&A)

This information was collected directly from PSPs. The data collection process is detailed in Sections D.5.2 and D.5.3.

D.2.5 Collection Costs

This information was collected from APCC. Compensation collection costs included fees for billing aggregator services and legal and consulting fees incurred in litigation with IXCs. Unlike the cost categories described above, compensation collection costs are specific to dial-around calls. These costs are calculated as a per-call amount.

D.2.6 Interest

Interest for a four-month time lag prior to payment is calculated in accordance with the *Third Report and Order*, based on an annual rate of 11.25%.

D.3 Per-Call Compensation Rate Calculation

In order to calculate a per-call cost for a marginal payphone, we used the averaging approach utilized by the Commission in the *Third Report and Order*. Specifically, the input values for each category of cost were averaged across all locations. For example, LEC line costs averaged \$36.95 per month for the marginal payphone locations studied. The monthly average for each cost category was then summed to develop an average per-location cost for that category. Call volumes were likewise averaged across all payphones. The per-call cost was then calculated by dividing the monthly fixed cost per marginal payphone location by the average number of calls (all call types).

D.4 Data Collection

D.4.1 Sample Design

Data collection was carefully designed to ensure a statistically valid sample and avoid distortion of the results. A database maintained by APCC Services was used as a proxy for the universe of payphones. This database contains ANIs for over 400,000 payphones across the country. In order to ensure the data collected is representative of all locations, it is necessary to ensure a sufficient sample size. In addition, the sample was stratified in order to ensure that each NPA would be represented. This stratification resulted in a total sample size (approximately 940 payphones) that is larger than necessary in order to ensure randomness and statistical validity. The use of a stratified sample rather than a simple random sample increased the logistical complexity but increased the likelihood that any geographic differences in cost characteristics will be fully captured.

The sample was created through the following process: (1) the percentage of payphone lines in each NPA was calculated, (2) a total sample size was calculated to ensure that all NPAs (including those with the lowest percentage of the total lines) would contain at least one member of the sample, (3) each NPA was assigned a weighting based on the number of payphone lines in that NPA, (4) an appropriate number of ANIs were randomly selected from the population of each NPA based on that weighting.

D.4.2 Survey Design

A survey was created in order to elicit the necessary information from individual PSPs. The survey was distributed via email and fax, and results were received via email, fax, and U.S. mail.

The survey form and accompanying instructions are attached in Sections D.5.2 and D.5.3.

D.5 CALCULATIONS AND WORKPAPERS

The following workpapers have been included in this section:

- D.5.1 Summary of Data Sources by Cost Category
- D.5.2 Instructions to Survey Respondents
- D.5.3 Survey Form
- D.5.4 Equipment Cost Calculations
- D.5.5 Capital Cost Summary
- D.5.6 Summary of Average Call Volumes, by Call Type

E. Detailed Results

The following reports have been included in this section:

- E.1 Costs by Cost Category, Marginal Payphones
- E.2 Study Results by Category vs. Comparable Costs from *Third Report and Order*

ATTACHMENT 2

PORTRAIT OF AN AMERICAN CLASSIC;
JEANNE MARIE LASKAS ON VACATION HANGOVERS

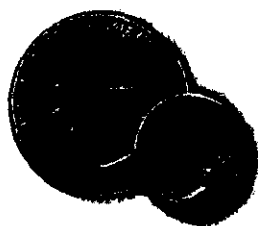
The Washington Post Magazine

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Dialing for Deliverance



Hearing the Call

**If you're on the wrong side of the digital divide, what does it take to get by?
Thirty-five cents and a glimmer of hope BY LIZA MUNDY**

PRESENTED WITH PAY PHONES lined up one after another in a continuous, multi-phone bank, the average person will place a call from the phone on the extreme left or right, rarely the phone in the middle. This way, the caller may have a person to one side but will not, most likely, have a person to both sides. It's a feeble but surprisingly predictable way in which people claim a few inches of personal space, a sliver of privacy in a world where the phone booth—like the office with a door that closes—seems a quaint luxury from a long-ago past.

Though, in truth, there's little privacy to be had from any modern pay phone at all.

"It's a bacterial infection!" says a teenage girl one hot weekday afternoon, making a call from one of the phones that line a low wall at the entrance to the Ballston Metro station. They are Verizon phones, five of them, mounted on posts and separated by only the thinnest partitions.

"Yes. Giovanni? I was wondering if I could come in today to get my face waxed instead of coming in . . . Okay, thanks," says an office worker at the same bank of telephones.

"Why you want to see me?" giggles a girl into a phone. "Shut up! I'm certified legal!"

"Steve blasted me right in the teeth!" says a man with a yellow-gray ponytail.

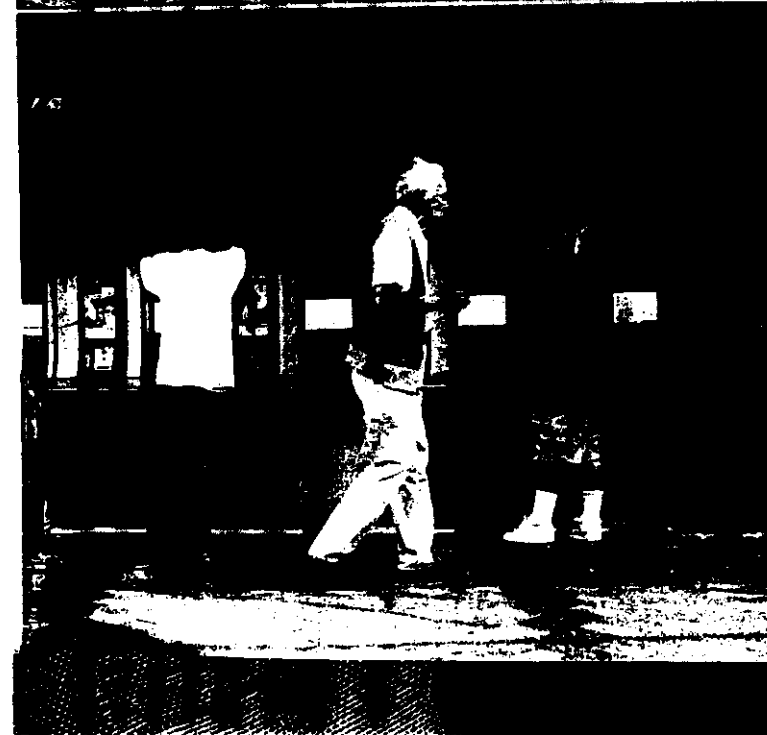
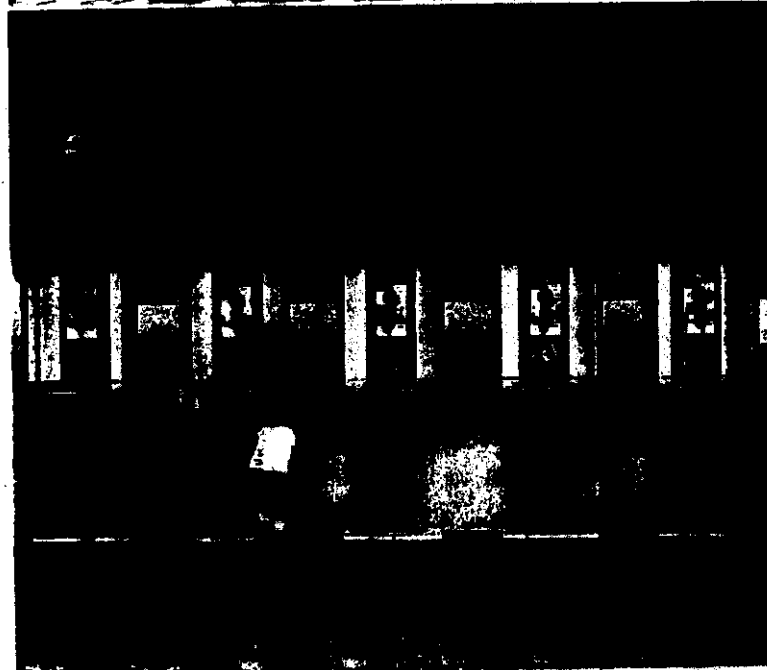
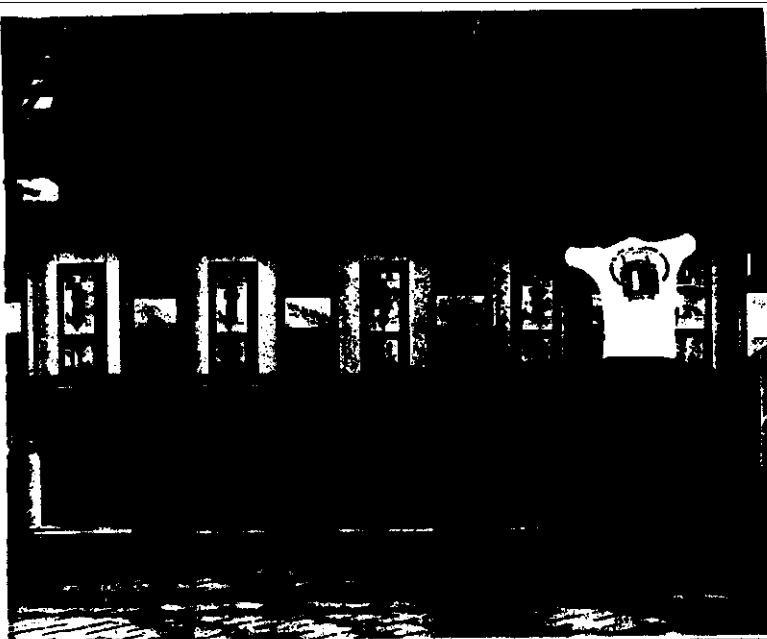
"Carlotta! Carlotta! Listen!" says another man. "They want \$500! Listen! I HAVE talked to somebody else! Five hundred dollars is GOOD!"

"I love you, too," says another.

"My grandfather's on his dyin' bed," says another.

"I lost my job," says another.

THE PAY PHONES AT THE ENTRANCE TO THE BALLSTON METRO STATION: FIVE TINY THEATERS, ENDLESS DRAMA.



Another afternoon, a woman approaches the Ballston phones and heads for the leftmost one. She is a shortish woman, about 30, with her hair pulled back and an open, optimistic look on her face, wearing a summer ensemble of blue capri pants and black cotton shirt. While she talks she eats a hot dog.

"Hi! I called to check in with you!" she says. "I've been busy looking for a job but I wanted to update you! Saturday I got on the job path, I fired off some résumés, I went to an interview for a counter person, I went to a job counselor." She listens for a minute, then says, "The place is a shelter. I have a living room, kitchen, dining room. The boys have their own room. They're already in school. They can go from 7 a.m. to 6. Chili's offered me a job, but they only pay \$2.13 an hour, plus tips. At Chili's you're not going to make any money in tips unless you work weekends. I can't get day care on weekends. And then, California Pizza offered me a job from 11 to 8 at night. The problem is, Arlington County offers only 10 hours of day care, and you have to utilize those hours. So I'm trying—my goal is to be working by next Friday. They said if you don't get work, you're going back to prison. Oh God, happy birthday! I didn't know! Happy birthday!"

Human dramas, enacted in front of five pay phones in a public square, five tiny theaters of hope and love and fury and yearning. Five phones that stand witness to a stream of urgent conversations that cost—a bargain now more than ever—just 35 cents to express.

'All my money! All my money!'

YOU CAN TELL THE MALE MODELS because they are the ones with their slacks rolled up. They are the ones with wads of tissue paper tucked into their collars in the back, to keep the sweat from coalescing and running down their necks and ruining their shirts. The models are posing in front of the Nature Conservancy building, assuming postures (hands clasped in front, legs crossed) intended to make them look like sexy, powerful executives; they are surrounded by an entourage of men and women carrying walkie-talkies and cell phones. The group has no contact with the Ballston Metro pay phones, until, at one point, some of them drift across Fairfax Drive, to the corner where the phones are located, and a woman approaches them and shyly borrows a pencil.

She is a tiny woman, dressed in white painter pants and a white shirt, and brown tassel loafers so old the seams have split at the toes. She has black blunt-cut hair and the expression of a woman who is drowning. For quite some time she has been trying to use a pay phone, any of them, all of them; she has been running up and down the phone bank, thwarted by her own panic, which causes her to drop coins and scramble to retrieve them and thunk the receiver down prematurely. Now she takes the pencil and collects herself enough to place a call. "Allo! Allo!" she says, and then, having no paper, scribbles some numbers on the phone's wall, a surface on which the pencil works surprisingly well.

After that she cannot get the phone to work anymore, so she

moves over to the next phone, at which point she realizes she can no longer see the numbers she wrote on the wall of the other phone because the cord is too short. So she has to keep bobbing over to see the numbers, then bobbing back to dial. Finally she reaches someone, talks for a while, calls somebody else, talks, and hangs up.

Her name is Maria Teresa Zepeda. She is from El Salvador but now lives in an apartment about a mile from Ballston. Today, as usual, she left her home for a cleaning job; shortly afterward she was hailed by some people who wanted directions to the Peruvian Embassy in Washington, so she sat in their car and told them how to get there. Then she got on a bus to Ballston, where she planned to catch a second bus to her job in McLean, only when she got here, she realized she had left her wallet somewhere. The wallet containing all her identification papers and \$300, with which she was going to pay her rent. "All my money!" she wails. "All my money!"

So she did, in her desperation, what people in desperation have traditionally done: She found a pay phone and sought assistance—in this case from the man who picked up the phone at the Peruvian Embassy. She described her emergency and asked if the family she gave directions to had gotten there; the person who answered said no, but suggested she also call the Peruvian consulate. Nobody there had seen the family, but a staff member invited her to call back later, she says, so shaken that she has decided to forgo the cleaning job, take the bus back home and use her home phone to try to retrieve the wallet. When she leaves, the only record of her emergency is the set of phone numbers she has scrawled in her panic.

'I'm calling to ask you this one question'

HERE IS THE STATE of the pay phone: One person desperately needs it, and one person hardly knows it still exists. In America, this is a new thing. There was a time when both these people—stranded cleaning lady, male model with an outdoor assignment—would probably have used a pay phone. The phone company had a phrase for them: People who were "away from home or office" used a pay phone; anybody who was on the move, rich or poor, gangster or salesman, at some point used a pay phone. Which is how the pay phone became, in America, a symbol of unity, of connectedness, of a nation brought together by well-placed and far-reaching land lines. The pay phone was a place where soldiers lined up to call their girls, businessmen their offices, travelers their families.

Not anymore. Now the pay phone symbolizes not unity, but bifurcation; not belonging, but alienation; not connectivity, but a state of literally being not connected. Now a cell phone is what the haves have and a pay phone is what the have-nots have. Not exactly a vestige, the pay phone is now a conduit, mostly, through which the have-nots articulate the things they wish they did have. It is a vessel into which they speak their desire for things, like, in Maria Zepeda's case, the fruits of their labor, the cash they earned, whatever they need to become a have.

It's funny how often the thing people want from a pay phone, now, is money.

"I'm calling to ask you this one question," shouts a furious



PHOTOGRAPH BY MAX AGUILERA-HELLWEIG



The pay phone is now a conduit through which the have-nots articulate the things they wish they did have.

A RARE QUIET MOMENT, ABOVE, FOR THE BALLSTON PHONES. OPPOSITE, DONALD BRISCOE ON THE LINE.

woman dressed in a flowing white dress, an hour or so after Maria Zepeda has caught the bus home from the Ballston phones. This woman is carrying a red pocketbook, wearing red shoes and pulling a little red cart. "If I need to use my card for a small amount of groceries, will I still be able to access my account at Fleet? Okay. That's all I need to know. Will my credit at Fleet continue? I pay my bills, I'm a good customer, and you never should have embarrassed me that way! That's all I need to know! I need to get some groceries today, and will I be able to use my card? And your name is what? Mrs. Jones? Just a moment! Will I be able to access my account? Have you noticed any month in 18 months that a payment has not been met? Or that I've misused my card? No! Make a notation if you will that I still would like my account to continue past October. Could you issue a request for an increase in the cash of about \$500? About \$550 would be exact!"

Or, what the person wants could be as concrete as a safe place to stay: "How are you, Mary?" says a woman, seizing the middle phone on a busy day. "I was going to see if you could go there tomorrow. I can meet you there if you want me to. He's probably drunk, like always. Yes. That's why I got to find a new apartment

for me and Diana only. Yes. I have my face all bruised up. The lady that I went to the interview with tried to help me. She asked me if I wanted to press charges. I told her the only thing I want is for him to pay the child support for my little girl."

Or any place to stay at all: "It's going really, really, really slowly," says one young man on a pleasant evening, holding a computer printout of a rental sheet.

Or something better to wear: "Men's Wearhouse!" says a man calling 411. "Men's Wearhouse! Men's! Wearhouse!"

Or someplace better to work: "You said you have restaurant services? How would I go about getting an interview with you?" says a young woman wearing a red shirt that identifies her as an employee of Ruby Tuesday, a chain restaurant located just beyond the Metro phones. She has dashed out from work to make the call; she dashes back in, then, hours later, dashes back out and calls someone else. "I have an interview next week! It's a restaurant service. Can I ask you something? Do you ever get butterflies? Do you ever think about things? Do you ever wonder about things? Because I've been wondering about things. That's natural, right? Okay, I gotta go, 'cause I'm still on the floor."

Or any job at all: "I think I found a job," says the earlier job-

hunting woman, the one who faces a return to prison if she doesn't find employment. There are a number of regulars at the Ballston phones—construction workers who need to sort out insurance bills, Metro employees, office workers on their lunch break—and this woman, it turns out, is one of the most regular users, placing calls from the phones several times a week. This day, a week or so after her initial conversation, she has shown up at her usual time, and headed to her usual phone, the leftmost one, and assumed her usual voice, which is clear and cheery and loud.

To whoever is on the other end, she explains that the job she thinks is the better option, the California Pizza Kitchen job, goes from 11 to 8. The problem is, she will need to take her two young sons out of preschool, because the school is only open until 6 o'clock. Her infant daughter's day-care provider, who is more flexible, has offered to take them all day and can keep them until 9. If she moves the boys out of school, she will have a job. If she has a job, she won't go back to jail. But her boys won't be in a stimulating preschool environment. They'll be in a day-care environment, with babies.

"I don't know which one to take," she says.

'You are a married couple now'

SOMETIMES, OF COURSE, all somebody wants from a pay phone is to say where they are.

"I'm in front."

"I'm in Ballston."

"There are benches on the street where you drop people off, and we'll be there."

"Here I am, on Fairfax Drive."

"Ballston! What's taking you so long?"

A lot of still-busy pay phones are located at major transportation centers: Metro Center, Union Station, National Airport. These are places where people will always need to update loved ones, say hello between flights, explain that their train is delayed, and otherwise execute, under modern conditions, the ancient challenge of locating themselves in time and space.

"I'll be at the Ballston mall eating dinner and then I'll go to the public library," says a tall sandaled young man, in a German accent, one evening. "I'll be eating here for the next 15 minutes and I'll be at the library."

Boring, maybe, to listen to, except that after a while all of these quick, here-I-am-check-in-type exchanges start to feel like poetry, a refrain of direction-giving, like plotting points on a compass, like navigating by the stars. It starts to take on a meaning: the repetitive chant of a whirling mass of people on the move, not affluent commuters but people who are working hard to become affluent, people who aren't sitting in air-conditioned cars stuck on the Beltway or I-270 or I-66 but, instead, get around by taking the bus, and from time to time try to reach people who are also getting around by taking the bus. Before it was a Metro station, Ballston was one of Northern Virginia's major bus exchanges, and here, at the intersection of Stuart Street and Fairfax Drive, people are constantly getting off the bus from Culmore and catching the bus to Tysons Corner, getting off the bus from Hunting Towers and onto the one to Pentagon City, stopping at the phones, which are located directly in the path of people making transfers.

"I call and say, 'Hey, baby, I'm here,'" says James Lewis, a

thin man in a green Barbados T-shirt who each morning takes the Green Line to L'Enfant Plaza and the Orange Line to Ballston, then gets on a bus to his job as a dog caretaker at an animal hospital in McLean. At Ballston—35 minutes after he last saw her—he always stops to telephone his fiancée. "It's just habit," he says. "It's just something I do."

"Not that daughter! Your other daughter! I'm down here at Ballston!" shouts a woman. "I'm on my way! Then I'll have to go back out again!"

"I'm living in Virginia!" says another woman. "I want to give you my new phone number. Call me after 9 or 10 p.m. Is that okay with you? Yes, yes, I will let you know because you are a married couple now, and everything is different. But I want to be able to talk to you. Okay?"

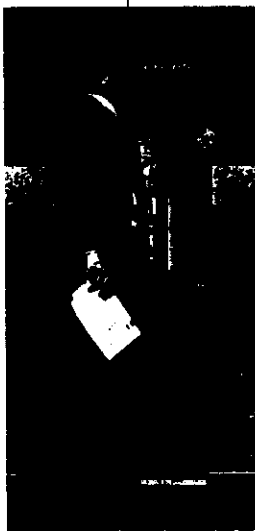
After a while the conversations seem almost existential: a sort of is-anybody-listening cry, an attempt to declare one's position to a universe that may, or may not, be listening.

"How do you use this?" says a woman who approaches the telephone. The Ballston phones are also down the street from the Immigration and Naturalization Service, which means they get constant use from immigrants. A recent emigre from Uganda, this woman is holding the hand of a toddler girl, and carrying, in her other hand, a slip of paper with a phone number written on it and a single word, "Elias." For some time she tries to read the phone. She reads the sign that says Verizon, and she reads the little button that tells you how to make the volume louder or softer, and she reads the placard at the bottom that tells you whom to call if the phone is not working, and none of this helps with her basic problem, which is that she has not the faintest idea how to place a call from an American pay phone. So she gets a stranger to dial for her, and when a voice mailbox answers, she says softly, "I am moving," and leaves.

'You and I are NOT having sex anymore'

IN THE PAST COUPLE of years there have been a number of odes written to the disappearing pay phone. Most of them point out that the number of pay phones has dropped by about 400,000, to 2.2 million, even as cell phone usage has grown by almost 200 percent. One of these, an essay by Ian Frazier in *Mother Jones*, recounts an episode when Frazier was living in a Montana cabin while his girlfriend was living in Sarasota, Fla. He had a phone. She didn't. One night she called him from a pay phone, and when she ran out of money, Frazier wrote down the number and called her back. Some time after that, he felt the urge to talk to her, so on a whim he dialed the pay phone. His girlfriend happened to be walking by and picked it up. Much later, on a trip to Disney World, they made a special trip to show their kids the phone. "It didn't impress them much," Frazier writes.

The funny thing is, this still happens. Pay phones still ring; they ring a lot. Sometimes they ring for reasons that are never quite clear. One weekday afternoon, a man in a blue sports shirt and blue boat shoes goes through an odd ritual at the Ballston phones, in which he goes up to the second phone from the left, wipes the earpiece—not the mouthpiece, but the earpiece—with a tiny napkin, then places a call and hangs up. Then he waits for the phone to ring, which it does, but he does not answer it.





Even when making a sale Maria keeps an ear out for the tinkling sound of the pay phone's ring.

PAY PHONES ARE THE OFFICE PHONE FOR MARIA CONNER, ABOVE. OPPOSITE, JON BLOOM AT THE BANK.

Then he repeats the ritual: wipe, call, hang up, wait, listen, until at last he goes away.

Other times, someone calls someone else from a pay phone, talks a while and hangs up, then the person who was called has another thought. Nowadays, that person dials *69, and the pay phone rings.

"Could I speak to Sam?" says a woman around noon one day. "He just called me from there. He's wearing tan pants and a tan-and-white shirt." Despite the fact that this woman knows Sam well enough to remember what he was wearing this morning, she has to ask: "Where is this phone anyway?"

"Is this Joy?" asks another caller.

"Wanda?" says someone else.

"Emira?" says a mother, around 11 o'clock on a Friday night, when the phones are nearly deserted. "My daughter—she is 15—she called me. She is waiting for me to come pick her up. She is short, with long dark hair. Do you see her?"

The crucial difference between these calls and the one Frazier made is that there is almost never a cosmic convergence, but, rather, a series of misconnections. The more communications technology we have—answering machine, call waiting, caller ID—the less likely we are to get through. What happens now is,

a person places a call from a pay phone to someone who screens calls; the person screening calls sees the number and calls back; by then the person at the pay phone has walked away.

"Somebody just called me from this phone," says a man's voice one night. "It was my son. Is he okay?"

Even when they do connect, the outcome is not always pretty. Standing at a middle phone, a teenage girl screams, "So were you with somebody else last night?" She is a dark-haired girl, wearing a hooded sweat shirt. With her are two other teenagers, carrying bags from Wet Seal, a Ballston Common store that sells bare-midriff-type clothing for juniors.

"Yeah! No! No! No, it's not even that! You're trying to say that everything you've done, I've done!" the girl shouts. "You think I'm stupid? Please, man, that's some stupid-ass [expletive]! It was me and five girls and some dudes! I don't see why it matters because I'm not going to be [expletive] you anymore because I don't even care. Like, man, you BEEN with somebody else! Oh! Oh! Oh! Not at all! But I just want you to know that you and I are NOT having sex anymore! I want you to know that!"

The girl hangs up and stalks away. The phone rings; she re-

CONTINUED ON PAGE 23

fuses to answer. After a few minutes, however, she comes back and punches in some numbers.

"Man, anyway, I know in my heart what I did!" she shouts. "Not anything! Can you [expletive] listen, man? What the [expletive]! Don't ever—don't call again? What the [expletive] THAT supposed to accomplish? If you tell me not to call you? Did you [expletive] that girl yesterday? Did you kiss, touch, anything that girl? You were on ecstasy? You're nasty as [expletive]! You swear to God! Listen to me! Can you listen? Listen! I didn't have nothin' with nobody. I didn't give anybody my number. How you going to sit there and lie to me! OOOOH! You know what? My new boyfriend ain't going to treat me like that!"

"Why you even still talking to him?" one of her friends says, walking over.

"I don't know!" the girl says. She hangs up and starts yelling at the phone. Then she walks away. Then she comes back and listens while one of the other girls makes a call. Then she walks away. Then she returns.

"Did the phone ring?" she asks.

'I'm going to hurt him'

THE BALLSTON PHONES are always busy. They are busy in the early morning, when people go to work, and busy at midday, when people are on break from work, and probably busiest in the early evening, when people are getting off work and need to be picked up or make plans. As night falls they become somewhat less busy, but there is almost never a time when nobody is making a call. People walk over from Flattop Grill and Starbucks and Tara Thai and Xando, all the sleek hip restaurants and coffee shops that materialized, almost overnight, to serve the increasingly upscale Ballston denizens: commuters who live in luxury condos and apartments, executives who work in luxury offices, tourists staying in luxury hotels like the Hilton, which rises over the phones. Three of its illuminated letters are burned out, so that at night the sign says "H on."

"How long ago did she leave?" a man in glasses and shorts says one night, around 10. "This is her husband calling."

Near him, a man says, "They gave me a court date. The sheriff was looking for me for two days. They came to my house, served the papers and read me my rights. See, that's how much *you* know. They call your name, you aren't there, they call it

one more time and it's a bench warrant! How many court dates have *you* had?" Then he listens and says, "That's the problem. You always want to threaten me. You tell me what you're going to do, well you do it." Then he listens some more, and says, "If I'm going back up there, I'm going back up there to rob somebody. It's going to be somebody that tormented me all my life." Then he listens some more, and says, "You tell Darnell I'm going to hurt him. I'm going to hurt that man. I'm going to hurt him."

Then he walks off into the darkness.

'Tell me what you need'

ONE DAY, in Ballston, there is a thunderstorm. Like many thunderstorms it arrives gradually, with a blackening in the west, out near I-66, and then there is a great deal of hot wind, and the rain blows in, and apart from the chance of being struck by lightning this is not an immediate problem for the people using the pay phones, because the phones are under an overhang that protects the Metro escalator.

The rain does, however, create a problem for the vendors, who are set up near the phones. In fact, there's a close commercial relationship between almost everything, animate and inanimate, around the phones. The vendors and the phones are here for the people using Metro trains and buses; the people using the phones tend also to use the newspapers and job-hunting and house-hunting guides contained in boxes near the phones; the newspaper boxes invite more people to sit on them and hang around; people hanging around attract more vendors; more vendors mean more people using the phones, etc., in a synergy of downscale merchandising.

On this day, the wind creates a problem for Mohamad Sellami, outdoor vendor of sundry items like alarm clocks and lighters and batteries. It creates a problem for the vendors of hip-hop CDs and incense, stuff so light that it will easily blow away in a rainstorm, so when the wind starts there is a great hustling and bustling and laying out of plastic sheets secured by bricks. Though her wares are heavier, the rain also creates a problem for Maria Conner, a 41-year-old Ecuadoran woman who operates a flower stand near the street. Because the rain creates a problem for her, a few minutes after the rain starts, one of the pay phones rings. "Hello?" says Maria, answering it after a fellow vendor calls her over. On the other end is her old-

est son. He has called to find out if she needs him to come over to Ballston and help. She tells him no, thanks, the rain is not that bad.

Maria Conner is a sturdy brown-haired woman whose skin is usually glistening from the physical effort of selling flowers. It's a heavy thing selling flowers, much heavier than you'd think. Mornings, she gets up and spends time with her children—not the oldest one, who is out distributing newspapers, but the younger four. Then she gets in her van, leaves her home in Springfield, drives to two different warehouses to buy flowers, drives to Ballston, parks on Fairfax Drive, lugs heavy buckets filled with water and flowers out of the van, finds a parking space, comes back, sets up her stand, and sits down and sells, ideally, until the flowers are gone, sometimes as late as 9 p.m.

During this, her children call her incessantly. She is always being summoned to the phone, sometimes by vendors and other regulars who know her, other times by passersby who are a little uncertain what is going on. "Um, Maria?" a young man says, one day, walking hesitantly over to her stand, which is at the tip of the corner of Fairfax Drive and Stuart Street, so as to catch business not only from bus and Metro users but from strolling executive types and even cars. Maria thanks him and trots the 20 yards to the phone. "Tell me what you need," she says; it's her 14-year-old, asking her to bring pizza home for dinner.

Another day it's her 9-year-old. "Hola!" says Maria, talking in a voice familiar to any working mother and the people who work around her: a saccharine voice, high and sweet. "Okay, sweetie pie. I love you! That's okay. Let me think about it. I'll call you back. Okay. Okay. My—yes, baby. You can ask anything you want. Two questions? You get two answers."

There was a time when Maria's children called her on a cell phone. Problem was, they called her so often that she invariably exceeded even a 1,600-monthly-minute calling plan. "I had bills of \$200, \$250," she says. Which was okay for a while; she had her own flower stands going at several different Metro stations, so up until two years ago she felt she could afford the cell phone bills. In December 1999, however, she was diagnosed with a double aneurysm behind one eye. After recovering from surgery, she had to scale down her business, pay hospital bills, and ditch the cell phone.

So now the pay phone is her office

phone. Her kids call her here, her neighbors call her here, her husband, who works in a bank in Alexandria, calls her here, her sister calls her here, her friends call her here, and her mother, who stays at home with Maria's kids, calls her here. But probably the person who calls her the most is 11-year-old Jessica, her only daughter. One morning Maria has to have some medical tests, and Jessica calls, afterward, to ask how they went. The doctors will conclude that it's just swelling behind her eye, and they will write a prescription and the headaches she's been having will subside, but even so Maria worries.

Really, she says, she would love not to work. She would love to be a housewife, leave all the earning to her husband, the way her mother did when she was growing up. But she can't. So Maria wants, from the pay phone, something different from what most users here want. What she wants is not material gain. What she wants is the thing she has sacrificed to achieve material gain: the sound of her children's voices. What she wants is to know what they are reading and whom they are visiting and whether they had fun at the pool. What she wants is to experience their lives, the smallest details, through the phone, which she always listens for; even when making a sale she keeps an ear out for the tinkling, almost old-fashioned sound of the pay phone's ring.

"Did you call me?" one woman says, one day, when Maria has dashed to answer the leftmost phone.

"No," says Maria. "This is a pay phone."

"What are you doing answering a pay phone?" the woman snaps, and hangs up.

Another day, the phones are broken. For more than 24 hours none of Maria's kids can get through. There is no sign saying broken phones, so people show up and try to use them, an endless irritated stream. One man starts beating the receiver against the telephone in frustration. A tall woman wearing a suit tries to place a call, fails, crosses Fairfax Drive to a phone near the 7-Eleven, makes a call, and breaks down in terrible, heaving sobs.

Among this crowd arrives, inevitably, the job-hunting woman. Around her usual time, she tries to use the phone. Then she tries another. Then she gets on her bus, unable to say what she needed to say.

'I'm spontaneous, sensitive'

"THAT'S NOT TYPICAL—that a whole bank of phones would go out of service," says

Paul Francischetti, vice president for marketing and product development for Verizon Public Communications, known affectionately in-house as the "coin division." "Unless," he says, "there was a glitch maybe in the network that was behind the phone."

Hard to know. Public phones break all the time. Sometimes they break because the little metal box that holds the coins gets full (for the record, it holds about \$120, give or take a dime or nickel) and new coins can't drop down. At first, the Verizon employee who regularly checks and cleans the Ballston phones suspected that was the problem: "I can fix little things," she said, so before she squirted the phones with disinfectant, she removed the coin boxes and installed empty ones. But still the phones were broken, so she called somebody at headquarters and between the two of them they got the phones working.

Four of the phones, anyway. The phone in the middle had something hard and yellow stuck in the coin slot. The clean-and-check lady inserted two keys that enabled her to remove the face. When she did so, out fell a long strip of strapping tape: the narrow yellow tape used to secure cardboard boxes for mailing. Someone had stood at that middle phone and methodically fed two feet of packing tape into the coin slot.

At headquarters, Paul Francischetti is amused to hear this. When you deal with pay phones for a living, you have to confront certain things about human nature—for one, that we can be a pointlessly destructive species. But vandalism, while interesting to talk about, is not his main challenge. His main challenge is ensuring that pay phones remain both appealing and profitable. "The question I probably handle the most, at least within the past two years, is, you know, what's the future of the pay phone, where's it going. Is the pay phone dying? No. It's not. Is it healthy? Some are. Less are healthy than they used to be. Is it a shrinking market? Yes it is. And there are obvious reasons for that."

The obvious reason, he says, is not the invention of the cell phone. No, the obvious reason is what began in September 1998, when cell phone companies got into a price war, and started to offer flat-rate pricing for a certain number of minutes. Before flat-rate pricing, cell phones were the province of the upper class. After flat-rate pricing, the middle class gave some thought to how many minutes of phone

time it needs each month, and decided that yes, at \$29.99 for 200 minutes, it could afford a cell phone.

"You can go back and look at just about any pay phone company there is, and you can look at trend lines of volume, and you can see a kink in the curve, starting in that period, of downward use."

There are a number of consequences of the middle-class shift. One of these is that the phone companies are removing unprofitable phones. Contrary to popular belief, however, they are not necessarily removing phones upon which the poor depend. The most profitable phones continue to be in urban and low-income spots, so even when a neighborhood tries to get rid of a phone—as neighborhoods sometimes do, out of concern about drug dealing—the phone company will do everything possible to keep that phone in place, including placating the neighborhood by blocking incoming calls.

The place where pay phones are likely to be removed is the affluent low-density suburbs. So if you're a suburban cell phone holdout, you may have the hardest time finding a pay phone.

There is another consequence to the cell phone price war. America has become a nation obsessed with minutes and their relative economic value. We've always been a time-conscious nation—Time is money! He's living on borrowed time!—but now we view minutes as literally a commodity, something bought and sold and traded, like pork bellies. Minutes, now, are a strange and fungible thing, with a value that changes year to year and month to month and day to day: free for the first 200, incredibly expensive after that; you never know, frankly, how much the minutes are going to cost on your next wireless phone bill. Because of this, what you see are people hoarding their cell phone minutes and using the pay phone to make a long, local, chatty call. After all, if you amortize those minutes, they seem, in comparison, free.

We've also become a nation in which minutes are sold in bulk, like rice or toilet paper. Entrepreneurs now purchase huge portions of long-distance minutes from providers like AT&T or Sprint, then resell them in the form of phone cards, which are used all the time by immigrants at the Ballston Metro phones. Near the phone is a big building, 901 N. Stuart St., containing luxury condos and a luxury restaurant and a luxury bakery; there is virtually nothing inside for a non-luxury-type of person, except, at the

newsstand, any number of phone cards: Call Plus or Pasaporte Latino or True Connect, which offers 62 minutes to Mexico for \$5, or 50 minutes to Bolivia, or 45 minutes to El Salvador. After they buy the cards, immigrants go to the phone, dial the long-distance number and an endless phone-card code, and then the phone card provider, through a computerized platform, switches them to AT&T or Sprint or some other company. Essentially, what the immigrants are buying is secondhand minutes. As with all secondhand things—clothes, baby strollers—sometimes the phone cards work well, and sometimes they don't.

"Allo? Allo? Allo? Allo? Allo? Allo? Uvaldo? Uvaldo? Uvaldo? Uvaldo?" shouts one man. He is using a phone card but might as well be trying to shout all the way to his home country.

"How can I make a—Sri Lanka! Do you know? Or, zero, one! Do you know? Okay!" says a different caller. After failing to get a call through, he says that he bought a \$5 card from a store on Columbia Pike; he hasn't gotten through to his wife and kids any time he's used it, but "every time I'm calling, they deduct 10 cents, 10 cents," until all he has left on the card is \$2.50. "I think it's a little game," he says. "I told the customer service people: It's a game in this country."

Other games are afoot, too, in this minute-conscious world. One day, smack in the middle of a weekday afternoon, a man named Anthony walks up to the middle phone—the middle phone!—and has what he calls a "casual chat."

Which is to say, Anthony—his chat name, not his real name—is placing a call to a number that's a combination dating service and phone-sex line. Women who want to chat with Livelinks can do so for free; men must become members, but Livelinks, he explains, routinely offers trial memberships where the caller gets a certain number of free minutes—at least 100, sometimes more—before being required to pay. So what Anthony does is, he joins from a pay phone and uses up his free minutes. When his trial membership expires, he simply opens another trial membership from a different pay phone, getting, for 35 cents, limitless minutes in which he can be a player, live large, have, in his mind at least, all the women he wants. "You can meet some freakin' women this way!" claims Anthony, who is only too happy to demonstrate how the chat line works. "Anthony," he says into the

phone after dialing his membership code; while waiting for the service to connect, he explains that you listen to messages left by different women, then push "2" to leave a message of your own, or "1" to go live and chat.

"Yeah, I'm sensitive, spontaneous, I like to go to movies, take walks into the park!" he says, leaving a message for one woman and then another.

"Hey, Jackie! Give me a minute!"

"Yes, Denise, this is Anthony. I like all those measurements so let's get online!" says Anthony, who rarely seems able to persuade a woman to go "live" with him. Denise leaves a message wanting to know his age and occupation, and then Anthony leaves another message saying, "I'm spontaneous, sensitive, I like to do fun things together, take walks together!" This goes on and on, proving what may be the most compelling truth about pay phones, a truth even more apparent now, thanks to cell phones and the high price they've put on minutes.

"If you want to get on the phone and talk forever," says Verizon's Paul Francischetti, "it's a bargain."

'Can anything get worse here?'

"HI! I'M SORRY I haven't called in a couple of days," says the job-hunting woman, who, it turns out, seemingly wants the most complex things from a pay phone. How to describe what she wants? Support. Succor. A new life. Advice. Employment. Everything! "Well, um, the job search was going awful because I didn't have child care," she says, talking at the phone across Fairfax Drive the day the Metro phones are broken. "The lady at California Pizza said 11 to 8, and I tried for two weeks to find day care. When I went to my counselor last night, they said, 'Don't take the boys out of school.' I'd have to pay too much for child care. I was expected to work today but there was nothing I could do. So I called her and said, 'I'm a single mom and I don't have day care.' I said, 'I want to thank you for offering me the job and if I get day care I would like to reapply.' She said, 'Don't let a good job go. You can work 10 to 3!'"

"For real!" the job-hunting woman says, joyously.

"So whassup?" she continues, settling in at the phone. "You sound down. I'm happy today. Well, kind of happy. I was about giving up. I was like, 'I'm a loser, I'm not going to find no job,' I was so de-

pressed! You know they talk about the depression stage. I was really in that last week. The people at the shelter were saying, 'Have you found a job yet, have you looked for a job?' And I've been looking for a job, and not getting no job, that was stressing me out, and then [the children] were acting out, and then something good—I was, like, can anything get worse here? If I got hit by a TRUCK that would be an improvement in my life—then finally today I had good news. I mean, I get a job, I can work, and I can save some money so I finally can move out of the shelter and have them all with me, but then it's like, you know, child care was an issue and that was stressing me out, and I'm like, I'm doing everything I'm supposed to be doing, staying clean, and ain't nothing good happening. I'm like, I'm clean now! You know, I want a place of my own! And I want my kids to act right, don't act up! This morning the lady called up saying—my counselor, every little noise she's startled—and then they were screaming this morning off 'Dragon Tales,' singing a little song, and she called up saying, 'Are they screaming,' and I'm like—

She listens, then talks again. "When I was doing the wrong thing, seemed like a lot of things came easy. Now I'm doing the right thing, it's like everything's coming hard. Last night, I was at the women's group, and I was saying: 'Can you just help me explain this? When I was using, I had a place of my own. And now that I'm clean I'm homeless!' I said, 'When I was using, people throwin' me jobs!' I would come to interviews—I mean, I would be using, I was using drugs, and people would say, 'Oh, come work for us.' I'm clean I can't even find a job. When I was using, I had child care, I could work any job, I had child care. Now I'm clean I can't even get nobody to watch my children. Using, my daddy would give me a ride to work, and pick me up from work no matter where I worked. I'm clean, I can't even get him to drive me to the store! Right! And I'm BEING responsible and I'm doing the right thing. I go out every day and I give this world a hundred percent and it spits back at me. And I get up in the morning and—I'm not ungrateful! I'm angry! I'm angry because the women in my women's group are working and I ain't working and I wanna work! I'm angry because everything good happens to them in their recovery and I'm not having any fun in my recovery! I'm angry because they're having good luck and I'm

having messed-up luck! I'm angry because they get to bounce around at the meetings and go to clubs, and be free, and I've got to tell my kids, 'Shhhh, be quiet at the meeting, shhhh, not right now,' so I can just hear something to help me get through the day. But let me go!" she says, listening for a moment.

"Okay. I'll get used to it."

She listens again, then says: "Shoes, and getting their nails done."

She listens again. "We chose children. Right. Right. Right. Okay. I love you. Okay, I'll call you after the meeting. Grow up? Okay! All right!"

And then the job-hunting woman hangs up.

Later, she reveals that she is a recovering crack addict, an Arlington native, a high school graduate. Her mother, a drug user and drug dealer, is dead of AIDS. She was raised by her grandmother, at least until she was a teenager, when her mother, suddenly attentive, recruited her into the drug trade. She became addicted, like her mom, a habit that landed her in jail, at which point her children were taken from her, including the baby girl she had in jail, whose birth made her resolve to change everything about her life. Now—on probation—she has her children back, and she has been ordered by the court to stay clean and get a job.

What she wants, by way of the phones, is a normal life, a normal job with a 401(k) plan, a life where she can go to work in the morning and come home at night, maybe save enough so that someday she can go to Disney World and get a picture of "my kids and me, in the Teacup." In order to get this she needs not to relapse, which she has done during stressful periods in the past, so what she wants, specifically, from the phones, is the advice and support of people like her grandmother, her aunt, her therapist, her Alcoholics Anonymous mentor, whom she calls during her job hunt, from phones all over Arlington, all day long.

And sometimes people call her, too. They call her on the pay phone at the shelter. One night, recently, it was her father calling. She doesn't talk to him very often, and was surprised and glad to hear from him. He is a diabetic, and has kidney problems, and it turned out that he needs a transplant.

"He said, 'I need a kidney. Can you give me a kidney?' That's how he said it." She laughs, now, as she recalls the conversation. "It's amazing, the things people say on a pay phone."

ATTACHMENT 3

The Mercury News

The Newspaper of Silicon Valley

IT WAS A DARK AND STORMY NIGHT. REALLY.

Published Tuesday, March 6, 2001, in
the San Jose Mercury News
By Barbara Egbert

I was 5 miles into my afternoon commute one Thursday in January when the timing belt snapped on my 6-year-old Ford Escort. Miraculously, traffic opened up just in time for me to coast to a stop on the shoulder. I set my flashers blinking, popped open my umbrella and trudged north to the next exit. My objective: a pay phone.

Luckily, the motel near the first off-ramp had one. And that really was lucky, because pay phones are disappearing, in the Bay Area and everywhere else. I made nine calls on that phone: three to my husband (in another area code) and six to find a tow company that served Milpitas and had a truck to spare in the next hour.

Why didn't I use my cell phone, you ask? Simple: I don't own one. Cell phone saturation seems to be the norm in Silicon Valley. We daily complain of people who drive, eat and shop while phoning. But most Americans don't own cell phones. They're an expensive luxury, and they don't even function in many rural areas.

Once a fixture of the American landscape, pay phones are fading away. The Los Angeles Times reported in January that they were vanishing in California at the rate of 1,000 a month last year. This is causing problems for the millions of people who still rely on pay phones to deal with emergencies, get directions on the road and generally take care of life's business. It's especially serious for the more than 5 million Americans who don't even have home phones.

The big telephone companies used to keep unprofitable pay phones open by subsidizing them from other parts of their operations, but that was outlawed by a 1996 federal regulation.

The new rule was supposed to make it easier for independent pay phone companies to compete. But pay phone providers have suffered from the proliferation of cell phones, the difficulty of recovering costs from toll-free calls, and the failure of state governments to establish the amounts the independents must pay the big companies for access to phone lines.

Now the pay phone industry wants the Federal Communications Commission to step in with regulations that make it feasible to keep pay phones available. Sounds good to me. Competition is fine as long as it leads to greater choice and accessibility. But when large numbers of people are losing access to something as fundamental as telephones, it's time for the government to step in.

The loss of pay phones is most serious in poor and rural areas. BellSouth Corp. announced last month it will get rid of 143,000 pay phones in the South within two years. Who will suffer the most?

Millions of low income Southerners who rely on pay phones in front of gas stations and general stores.

In California, the loss is felt most keenly in the vast rural areas, in inner cities and on school campuses. Figures locally are hard to come by, but one industry expert estimates [pay phones] in the Bay Area have been disappearing at 10 percent to 20 percent a year. That still leaves probably 60,000 in the nine-county area. But will there always be one available for the homeless man,

battered woman or runaway teen trying to call a hotline for help? The odds decrease each time a phone is removed.

Although for now I choose to avoid the expense of cell phone ownership (not to mention the complicated promotions, restrictions, special charges, extra fees and incomprehensible jargon) I at least have the option. But the poor don't have that choice. How will they cope?

Phone service has become as basic to our society as electricity and paved roads. Let's make sure it stays that way. Bring back the pay phones.

Barbara Egbert is a Mercury News editorial writer.

ATTACHMENT 4

Daily Reveille (Baton Rouge, LA) - 04/18/2001

Lack of payphones makes campus unnecessarily dangerous

Where are the pay phones on this campus? I know there are a few scattered in various buildings. However, there are some buildings where it is virtually impossible to find a pay phone and it becomes even more of a scavenger hunt once you go outside of the buildings. LSU is a large campus with over 30,000 students. It is very eerie at night in some areas on campus. Once, a couple of years back, I was stuck on campus around 2 am. after the library closed. I was lollygagging and talking to friends and then we headed in different directions to our cars. When I got to my car I had a problem starting it.

I ran back to the library but the doors were locked. I tried to see if my friends were still around but they were not. I went to various buildings pulling on doors to no avail. Finally I arrived at the Astronomy and Physics Department where luckily I saw one lone graduate student going into the building. He had a key. I told him my situation and he let me in to use the telephone in his office. He saved me that night. (Which now I know wasn't really safe either). Thank God he wasn't a serial killer or rapist.

I know that this is the age of technological advancement and that a lot of students possess cell phones but still a lot of students do not. While I do not think it is appropriate to add a pay phone to each and every corner on campus. I do feel that a couple of pay phones on the outside of buildings, or near The Union even, would be sufficient. I am sure that if I was caught in that situation other students have been also. And what about the countless visitors to our campus? I can't count how many times I have been stopped by people asking me where the nearest pay phone is.

Shienne Jones

ATTACHMENT 5